

## Consolidated Statements of Cash Flows

MARUI GROUP CO., LTD. and Its Consolidated Subsidiaries  
For the fiscal years ended March 31, 2015 and 2016

		Millions of yen	Thousands of U.S. dollars (Note 1)
	2015	2016	2016
<b>Cash flows from operating activities:</b>			
Income before income taxes	¥ 24,001	¥ 26,905	\$ 240,223
Depreciation and amortization	10,296	9,670	86,339
Increase (decrease) in provision for point card certificates	1,777	1,996	17,821
Increase (decrease) in provision for allowance for doubtful accounts	670	(310)	(2,767)
Increase (decrease) in provision for loss on interest repayment	5,781	(6,574)	(58,696)
Increase (decrease) in provision for bonuses	(253)	(7)	(62)
Interest and dividend income	(556)	(457)	(4,080)
Interest expenses	1,870	1,797	16,044
Loss (gain) on retirement of property and equipment	604	655	5,848
Loss (gain) on sale of investment securities	(12,094)	(972)	(8,678)
Decrease (increase) in notes and accounts receivable-trade	(129)	(1,006)	(8,982)
Decrease (increase) in accounts receivable-installment	(13,655)	(52,641)	(470,008)
Decrease (increase) in operating loans	(2,815)	(6,076)	(54,250)
Decrease (increase) in inventories	1,964	4,145	37,008
Increase (decrease) in accounts payable-trade	(2,973)	(2,683)	(23,955)
Other, net (Note 19)	2,839	(2,657)	(23,723)
Subtotal	17,328	(28,215)	(251,919)
Interest and dividend income received	475	388	3,464
Interest expenses paid	(1,906)	(1,811)	(16,169)
Income taxes paid	(3,721)	(5,741)	(51,258)
Income taxes refund	135	68	607
Net cash provided by (used in) operating activities	12,310	(35,310)	(315,267)
<b>Cash flows from investing activities:</b>			
Purchase of property and equipment	(10,874)	(9,058)	(80,875)
Purchase of investment securities	(17,931)	(678)	(6,053)
Proceeds from sale of investment securities	22,684	3,340	29,821
Payments for leasehold and other deposits	(70)	(619)	(5,526)
Proceeds from collection of leasehold and other deposits	2,165	1,485	13,258
Other, net	159	1,467	13,098
Net cash provided by (used in) investing activities	(3,867)	(4,063)	(36,276)
<b>Cash flows from financing activities:</b>			
Net increase (decrease) in short-term loans payable	(29,985)	(6,042)	(53,946)
Proceeds from long-term loans payable	45,000	97,000	866,071
Repayments of long-term loans payable	—	(17,500)	(156,250)
Proceeds from issuance of bonds	19,897	24,875	222,098
Redemption of bonds	(20,000)	(17,000)	(151,785)
Net increase (decrease) in commercial paper	(2,000)	—	—
Purchase of treasury stock	(15,016)	(35,035)	(312,812)
Cash dividends paid (Note 15)	(4,927)	(5,391)	(48,133)
Other, net	(234)	(185)	(1,651)
Net cash provided by (used in) financing activities	(7,267)	40,719	363,562
Net increase (decrease) in cash and cash equivalents	1,176	1,345	12,008
Cash and cash equivalents at beginning of period	30,053	31,229	278,830
Cash and cash equivalents at end of period (Note 21)	¥ 31,229	¥ 32,575	\$ 290,848

The accompanying notes are an integral part of these consolidated financial statements.